

Pennsylvania C-PACE

COMMERCIAL- PROPERTY ASSESSED CLEAN ENERGY



Senate Bill 234

- Permit the establishment of a C-PACE district by local government.
- Establish the framework for placing the assessment and define the role of local government.
- Place certain limits on the program (e.g. no multifamily, lender consent required).

Fundamentals of C-PACE



Set /up by local government; managed by 3rd party

For Existing Commercial, Agricultural and Non-Profit properties

Owners receive funding from private capital providers

Lien is senior to existing mortgage; and subordinate to property taxes.

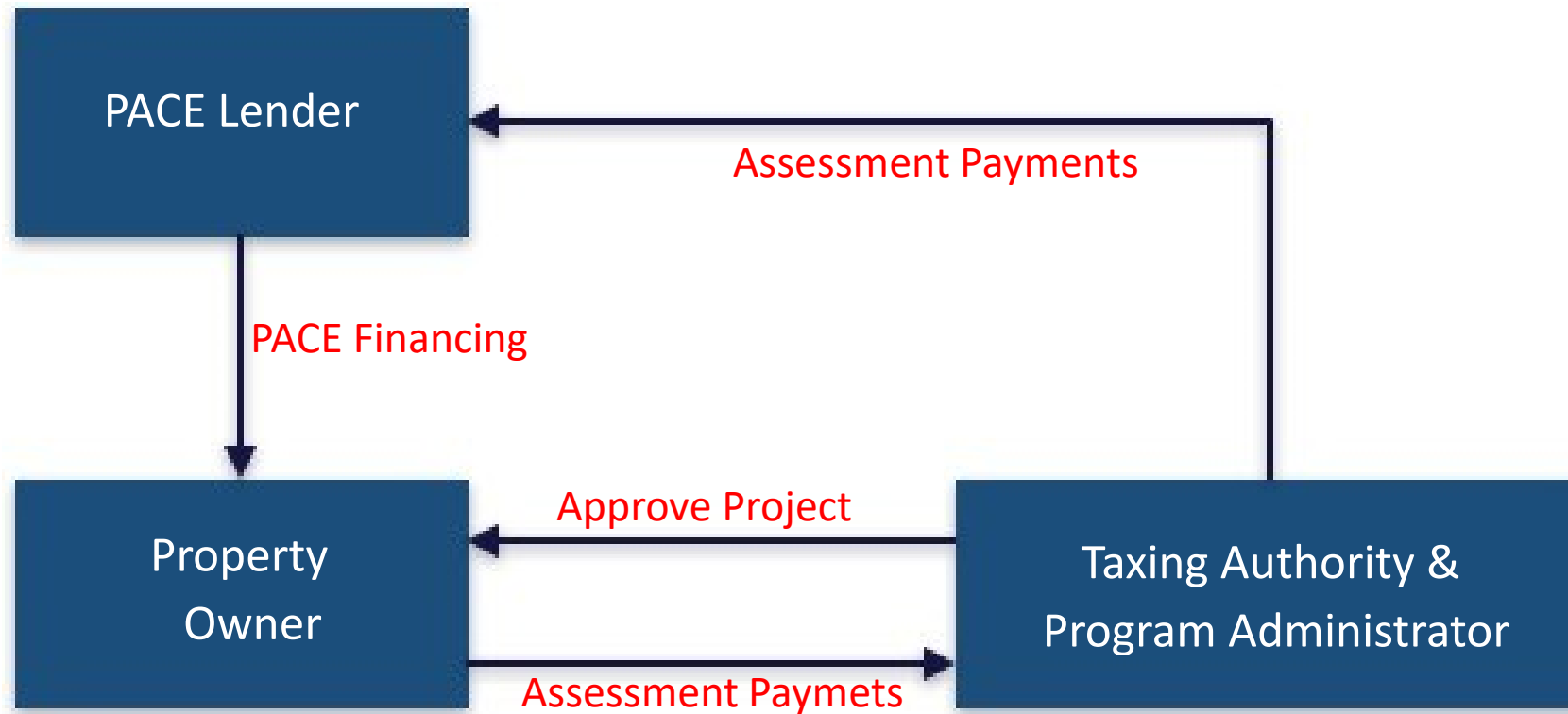
Assessment transfers upon sale and does not accelerate



C-PACE Team



C-PACE Deal Structure



The Process to Develop PA C-PACE

Stakeholder
Meetings

Develop
Draft
Program
Guidelines

Feedback
from
Stakeholders

Finalize
Program
Guidelines

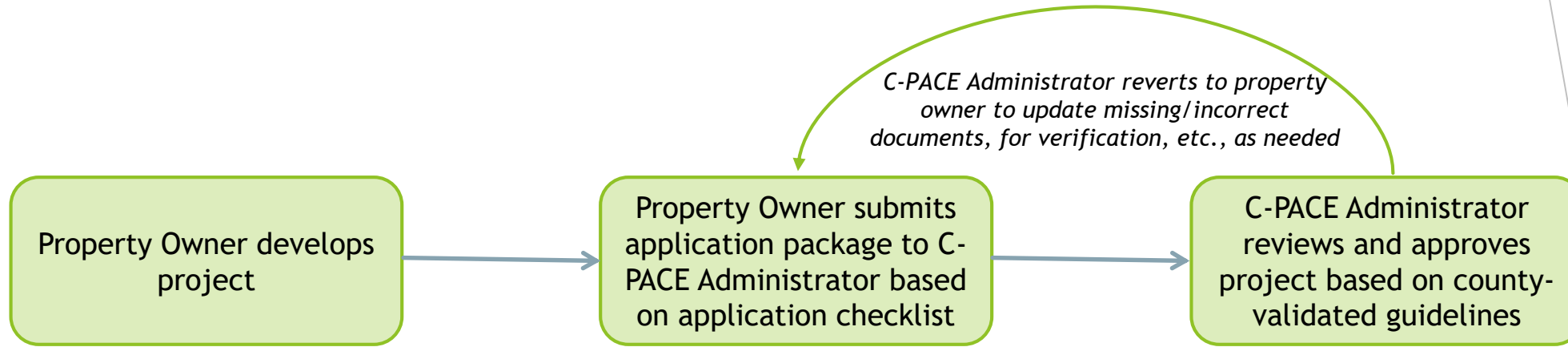
Take to
Counties

Development Process

- Single point of contact
- Qualifications for contractors
- Qualifications for properties
- Qualifications for projects
- Collection of baseline data
- Lender Consent
- Post installation certification
- Public notice

Application and Development

County or Municipality passes resolution adopting C-PACE and authorizing governing body to enter into Cooperative Agreement with SEF, following which:



Identifies contractor:
Works with them to develop a proposed scope of work



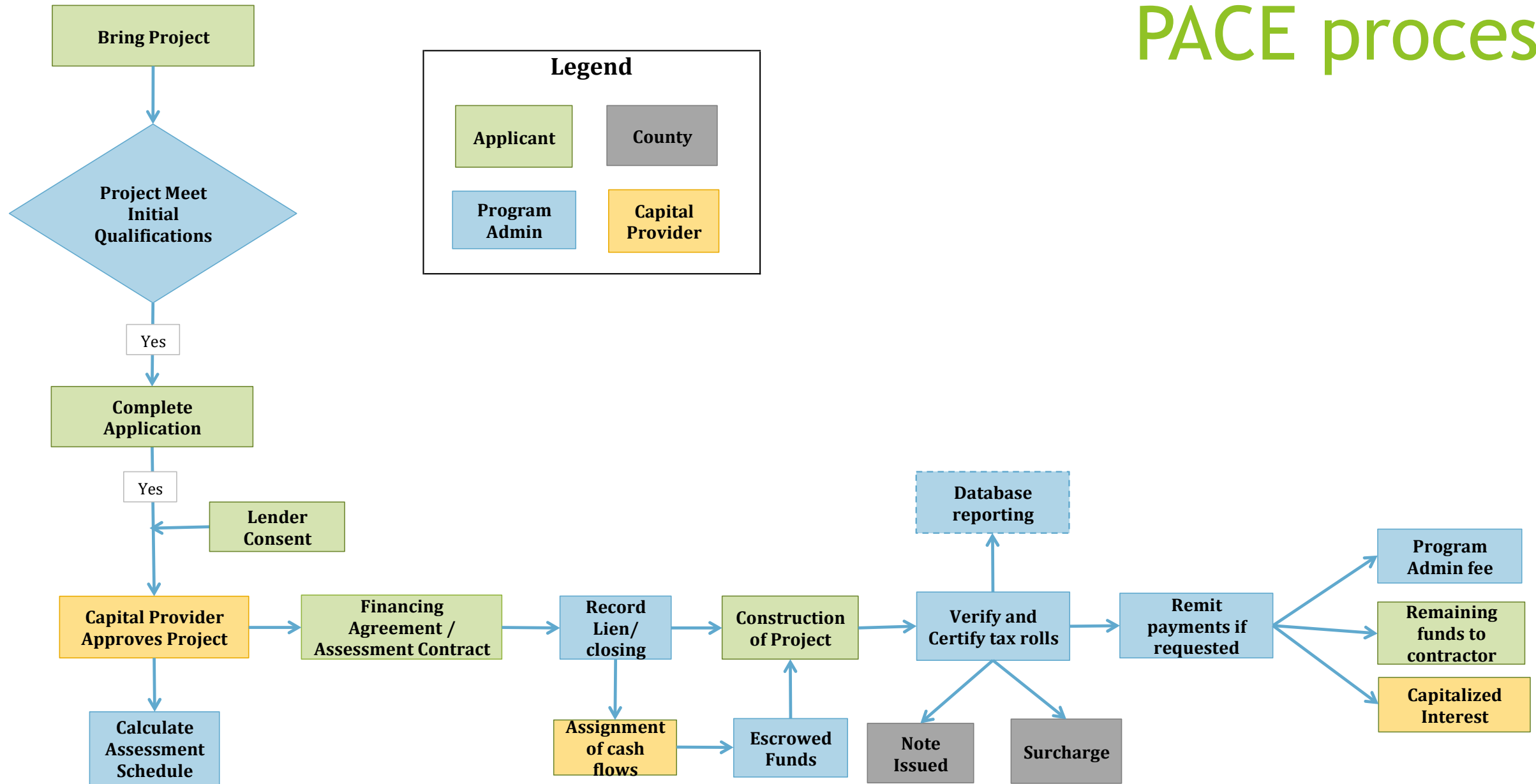
Identifies lender:
Works with them to obtain credit approval and proposed financing terms for C-PACE



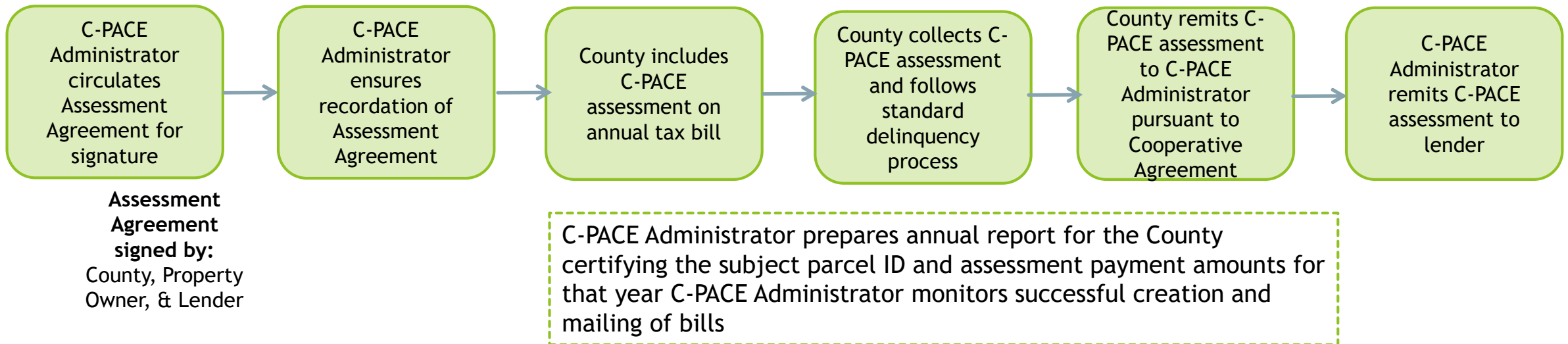
Checklist may include:

- Project description
- Summary of financing terms
- Summary of baseline energy analysis
- Signed lender consent form
- Signed disclosure of risk form
- Copy of title demonstrating legal owner of the building
- Evidence of meeting financial and technical requirements
- Unexecuted draft copies of Assessment Agreement

PACE process



Closing and Servicing



PROGRAM ADMINISTRATOR FEATURES/ROLE

No Cost - C-PACE requires no credit exposure or general obligation funds from Counties

Statewide Approach - uniform program, applied consistently, helps promote scalability by simplifying participation for stakeholders

Single Point of Access -3rd party administrator serves as 1) go-to contact for stakeholders 2) ensures project compliance and 3) services special charge repayment

Open Market - qualified private lenders provide property owners competitive rates and financing terms. Any contractor or project developer can work on a qualified project

Next Steps

- ▶ Public Comment on Draft Guidelines - December 2018
- ▶ Program Guidelines release - January 2019
- ▶ Outreach to counties - 1st and 2nd Quarters 2019

Help Adopt PACE in your jurisdiction!